

Delay in Defence Procurement

4430. DR. ALLADI P. RAJKUMAR:

SHRI YADLAPATI VENKAT RAO:

SHRI SATISH PRADHAN:

Will the Minister of DEFENCE be pleased to state:

- (a) how weapons and equipment are procured in the defence services;
- (b) whether the procurement take years and even decades as in case of the Advance Jet Trainer;
- (c) if so, the reasons therefor;
- (d) whether CAG at any time pointed out that basic rules or procurement were violated many times; and
- (e) the action proposed to simplify the procurement procedure?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a)

A well defined procurement procedure exists in the Ministry of Defence for procurement of weapons and equipment for the Armed Forces. Once a decision is taken to procure weapons and equipment for our Armed Forces, Requests for Proposals (RFPs)^Tender Enquiries (TEs) are issued and technical and commercial offers are obtained from the manufacturerAendors of the equipment in separate covers. The technical bids are examined by a Technical Evaluation Committee headed by a representative of the user Service. Commercial offers of only those firms that meet the technical requirements are opened by a Price Negotiating Committee in the presence of the tendering parties or their representatives. Price negotiations are held with the lowest bidder with a view to conclude the contract.

(b) and (c) Considering the complexity of the project, it would be difficult to project the time period within which the contract would be signed. During the procurement process, there are certain delays owing to various technical, financial and procedural aspects. In case of the Advance Jet Trainer, the Staff Requirement was issued in 1987. However, due to non-cooperation-of vendors, the PNC could not progress as per the envisaged time frame. The IAF has reviewed

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its requirement on the AJT in January 1999 and considered most contenders that were available worldwide for the AJT.

(d) and (e) CAG reports have mainly been related to planning inadequacies and delays in procurement and implementation of the projects. No violation of the basic rules of procurement have been reported. The Government continuously endeavours to effect improvements in the structures, processes and procedures related to Procurement. The Group of Ministers (GoM) constituted on 17th April 2000 by the Government has recommended a series of measures, including the creation of a separate and dedicated institutional structure i.e. the Defence Procurement Board, to undertake the entire gamut of procurement related functions in a more professional, coordinated and cost effective manner. The recommendations of the GoM have been presented to the Prime Minister on 26.2.2001. After examination and acceptance of the Report by the Government, action as required will be taken expeditiously.

Obsolescent IAF's Combatant Fleet

4431. SHRI RAVI SHANKAR PRASAD: SHRI
P. PRABHAKAR REDDY:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government are aware of the observations made in a report appearing in the recent issue of the 'Indian Defence Review' that 40 percent of IAF's combatant fleet is obsolescent; and

(b) if so, the steps proposed to be taken to review and remove weaknesses of the IAF's combating capabilities?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) Yes, Sir.

(b) The Indian Air Force has formulated a modernization plan to enhance its combat aircraft strength.